

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**SB 1292 - HB 1834**

March 31, 2011

**SUMMARY OF BILL:** Requires county clerks to provide each motor vehicle owner notice from the Department of Revenue of the requirements of the current Tennessee Financial Responsibility Law (TFRL) upon each registration. Increases, from \$100 to \$250, the fine for a violation of the TFRL. Requires impoundment of the motor vehicle and a fine of \$500 for a second violation. Requires notification to the last known owner of any motor vehicle impoundment. Requires a newspaper notification if there is no response to a mailed notification

**ESTIMATED FISCAL IMPACT:**

**Increase State Revenue – \$2,744,800**

**Increase State Expenditures – Exceeds \$150,000**

**Increase Local Revenue – \$144,500**

**Increase Local Expenditures – Exceeds \$100,000\***

**Assumptions:**

- According to the Department of Safety, there were 29,921 convictions of first violations of the TFRL; 3,226 additional convictions for a second or subsequent offense.
- According to the Department of Safety, the average increase for a first violation will be \$75; the average increase for a second violation will be \$200.
- Local courts retain a five percent commission.
- A recurring increase in state revenue of \$2,744,811  $\{[(29,921 \text{ convictions} \times \$75) + (3,226 \text{ convictions} \times \$200)] \times 95\%\}$ .
- A recurring increase in local government revenue of \$144,464  $\{[(29,921 \text{ convictions} \times \$75) + (3,226 \text{ convictions} \times \$200)] \times 5\%\}$ .
- A recurring increase in state expenditures of \$50,000 for the Department of Safety to send notifications of impoundment and provide newspaper notices.
- A recurring increase in state expenditures exceeding \$100,000 for the Department of Revenue to print notices for county clerks.
- A recurring increase in local government expenditures exceeding \$100,000 for local county clerks and send notices.
- Notices of current TFRL will be mailed with regular registration mailings or provided for in person renewals.

\*Article II, Section 24 of the Tennessee Constitution provides that: *No law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

/jaw